MULTIMEDIA UNIVERSITY

STUDENT ID NO

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# MULTIMEDIA UNIVERSITY

# FINAL EXAMINATION

**TRIMESTER 3, 2018/2019**

## DOT5014 – ORGANISATIONAL THEORY

( All sections / Groups )

30 MAY 2019
9.00 a.m - 11.00 a.m
( 2 Hours )

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**INSTRUCTIONS TO STUDENT**

1. This question paper consists of 9 pages with 2 sections.
2. For section A, shade your answers on the OMR sheet provided.
3. For section B, write your answers on the answer booklet provided.
4. Answer **ALL** the questions.

## SECTION A [40 Marks]

1. Values refer to the general criteria, standards, or guiding principles that people use to determine which types of behaviours, events, situations, and outcomes are desirable or undesirable. Basically, there are two kinds of values which is known as terminal and _____.

   a. coaxial
   b. authorial
   c. differential
   d. instrumental

2. Which of the following refers to the standards or styles of behaviour that are considered acceptable or typical for a group of people?

   a. Norms.
   b. Beliefs.
   c. Strategy.
   d. Terminal values.

3. Bryan is a new recruit in Jasmine organisation. He is required to go through a pre-designed classroom training program. This is an example of a(n) _____.

   a. informal training program
   b. disjunctive socialisation tactic
   c. individualised role orientation
   d. institutionalised role orientation

4. In Sunshine organisation new recruits are separated from existing members during the learning process. This refers to which of the following socialisation tactics?

   a. Formal.
   b. Individual.
   c. Investiture.
   d. Disjunctive.

5. A toy manufacturing company does not have an established sequence of steps for socialising newcomers. Training is tailored to individual needs. Which of the following socialisation tactics is this company using?

   a. Fixed.
   b. Random.
   c. Collective.
   d. Sequential.

6. Which of the following refers to the rites that mark an individual's entry to, promotion in, and departure from the organisation?

   a. Passage.
   b. Integration.
   c. Enhancement.
   d. Responsibility.

**Continued...**

7. All of the following are the building blocks of an organisational culture **EXCEPT** _____.

a. property rights
b. organisational ethics
c. organisational structure
d. environmental dynamism

8. Chong works in a multinational corporation where he has the strongest property rights. This means that Chong is one of the _____.

a. customers
b. employees
c. suppliers
d. shareholders

9. Ravi is a manager in a manufacturing company. He believes that it is acceptable to give illegal bribes to city officials to get favourable decisions. His stance on corporate social responsibility could best be described as _____.

a. proactive
b. defensive
c. obstructionist
d. accommodative

10. Which of the following refers to a manager's duty or obligation to make decisions that nurture, protect, enhance, and promote the welfare and well-being of stakeholders and society as a whole?

a. Rite of integration.
b. Social responsibility.
c. Rite of enhancement.
d. Organisational citizenship.

11. Suhaila operates a beverage manufacturing company which uses conveyor belts and a standardised progressive assembly process to manufacture its goods. This can be described as _____.

a. craftswork
b. customisation
c. mass production
d. differentiated production

12. Rosita makes one-of-a-kind customised shoes for her customers. Based on Joan Woodward's production technologies, Rosita is most likely to use _____ technology.

a. sequential-process
b. continuous-process
c. small-batch and unit
d. large-batch and mass production

**Continued...**

13. _____ refers to the extent to which a production process can be programmed so that it can be controlled and made predictable.

a. Technical complexity
b. Situational adaptability
c. Resource customisability
d. Environmental compatibility

14. Which of the following refers to the technology that produces a steady stream of output with little variation in output and the production rarely stops?

a. Intensive technology.
b. Small-batch technology.
c. Mass production technology.
d. Continuous-process technology.

15. Which of the following refers to the argument that technology determines structure?

a. External dependency.
b. Resource dependency.
c. Technological imperative.
d. Transaction cost imperative.

16. According to Charles Perrow, task _____ is high when a person can expect to encounter many new or unexpected situations.

a. variability
b. adaptability
c. analysability
d. customisability

17. Which of the following technology is characterised by low task variability and high task analysability?

a. Craftswork.
b. Nonroutine research.
c. Routine manufacturing.
d. Engineering production.

18. Non-routine technology requires the organisation to develop structure that allows employees to respond quickly to manage exceptions and create new solutions. Therefore, the most appropriate structure is _____ structure.

a. matrix
b. organic
c. divisional
d. mechanistic

**Continued...**

19. Mass production is based on _____ machines that can perform only one operation at a time and that produces a narrow range of products.

a. intensive
b. advanced
c. dedicated
d. mediating

20. Which of the following technologies as identified by Thompson, is most likely to use vertical integration as a strategy for reducing uncertainty?

a. Intensive technology.
b. Mediating technology.
c. Long-linked technology.
d. Sequential-process technology.

21. All of the following are the stages of the organisational life cycle **EXCEPT**_____.

a. organisational death
b. organisational growth
c. organisational culture
d. organisational decline

22. Which of the following refers to the dangers associated with being the first to operate in a novel environment?

a. External liability.
b. Liability of inertia.
c. Liability of newness.
d. Dependence liability.

23. _____ seeks to explain the factors that affect the rate at which new organisations are born (and die) in a population of existing organisations.

a. Institutional theory
b. Contingency theory
c. Transaction cost theory
d. Population ecology theory

24. The organisations that are competing for the same set of resources in the environment is known as _____.

a. cluster
b. population
c. aggregation
d. conglomeration

25. The process that ensures the survival of organisations that have the skills and abilities that best fit with the environment is called as _____.

a. habituation
b. triangulation
c. natural selection
d. stimulus generalisation

**Continued...**

26. Arjun manufactures and sells electrical products. His organisation is currently in the life cycle stage where the organisation develops value-creation skills and competences that allows it to acquire additional resources. This stage is best known as _____.

a. birth
b. growth
c. decline
d. clustering

27. _____ refers to the study of how organisations can increase their ability to grow and survive in a competitive environment by becoming legitimate in the eyes of their stakeholders.

a. Cultural cluster
b. Population density
c. Institutional theory
d. Environmental benchmark

28. _____ is the first stage of growth according to Greiner's model of organisational growth.

a. Growth through creativity
b. Growth through delegation
c. Growth through coordination
d. Growth through collaboration

29. According to Greiner's model of organisational growth, during the "growth through direction" stage an organisation experiences which of the following crisis?

a. Control.
b. Red tape.
c. Autonomy.
d. Leadership.

30. The managers in Triple B organisation are unable to recognise the internal and external problems that threaten the long term survival of the organisation. According to Weitzel and Jonsson's Model of Organisational Decline, Triple B organisation is in which of the following stages?

a. Crisis.
b. Blinded.
c. Dissolution.
d. Faulty action.

**Continued...**

31. Which of the following statements is **TRUE** regarding an incremental innovation?

a. Technological discontinuities result due to incremental innovation.
b. Total quality management (TQM) is an example of an incremental innovation.
c. As compared to quantum innovations, incremental innovations are more likely to cause major changes in an environment.
d. An incremental innovation results due to a fundamental shift in technology that revolutionises products or the way in which they are produced.

32. Jamal has created a new product. Which of the following types of property rights is appropriate to protect the name of his product?

a. Patent.
b. Copyright.
c. Trademark.
d. Industrial design right.

33. The _____ stage in a product life cycle begins when market demand peaks because most customers have already bought the product.

a. mature
b. growth
c. decline
d. embryonic

34. Li Wan is a project manager in her organisation. She has many projects to manage. In order to ease her project management task, which of the following tools is most likely to be used during project management?

a. BCG matrix.
b. GRIT model.
c. Gantt chart.
d. Porter's five forces model.

35. Which of the following tools is most likely to help Azim, who is the manager of JK organisation to develop a structured process for evaluating different new product development proposals and deciding which to support?

a. Pareto chart.
b. Fishbone diagram.
c. Critical path method.
d. Stage-gate development funnel.

**Continued...**

36. All of the following is true regarding a heavyweight team leader **EXCEPT** _____.

a. the team leader is a top-level manager
b. the team leader often functions as a product champion
c. the team leader remains under the control of a functional department head
d. the team leader is given primary control over key human, technological, and financial resources for the duration of the project

37. Bong has been assigned to work in a temporary team that is created to expedite new product design and to promote innovation by coordinating the activities of functional groups. Typically, this team operates at a separate facility, at a location isolated from the rest of the organisation. This refers to which of the following?

a. Skunk works.
b. Kaizen group.
c. Quality circle.
d. Workers' union.

38. _____ refers to the knowledge building created when two or more individuals or subunits pool their resources and collaborate across role or subunit boundaries.

a. Economies of scale
b. Economies of scope
c. Information synergies
d. Technical discontinuities

39. Which of the following terms **BEST** represents the interaction with individuals and groups outside the organisation to obtain valuable information and knowledge from the environment?

a. Vale engineering.
b. Boundary-spanning activity.
c. Reciprocal logrolling.
d. Business process reengineering.

40. _____ refers to the ideas that goes beyond the current boundaries, whether those boundaries are based on technology, knowledge, social norms, or beliefs. It may involve combining and synthesizing new things.

a. Creativity
b. Innovation
c. Information efficiencies
d. Knowledge creating organisation

**Continued...**

## SECTION B [60 Marks]

### QUESTION 1

(a) Lucky Star Sdn Bhd is a company that manufactures and distributes stationaries. Recently the company is facing some issues due to rapid changes in their external and global environment. These issues have created an unpleasant impact towards the productivity of the company, thus affecting the profitability of the company.

Based on the above scenario, explain the **FOUR (4)** levels of strategy that the company needs to reexamine to improve its situation. (8 marks)

(b) Define "*related diversification*". (2 marks)

(c) Your friend has been successfully operating a café locally. However, he is interested in searching for new domains across countries. Suggest any **THREE (3)** types of strategies that your friend can implement to expand his business globally. (3 marks)

(d) Provide **TWO (2)** types of resources that can provide an organisation with core competencies that gives it a competitive advantage. (2 marks)

(Total: 15 marks)

### QUESTION 2

(a) In order to stay competitive, change is needed in every organisation. Change refers to a process where the organisation moves from its current state to some desired future state in order to increase effectiveness and to stay competitive. Provide any **THREE (3)** forces for change. (3 marks)

(b) Targets of change include improving effectiveness at four different levels. List and explain the **FOUR (4)** different levels of target of change within an organisation. (8 marks)

(c) Explain any **TWO (2)** levels where resistance of change happens. (4 marks)

(Total: 15 marks)

**Continued...**

## QUESTION 3

(a) Organisational decision making is the process of responding to a problem by searching for and selecting a solution that will create value for organisational stakeholders. Briefly explain the **THREE (3)** stages that are involved in rational model of decision making. Ensure it is in the correct order. (6 marks)

(b) Organisational learning is a process where top management and staffs in the company seek for improvement. It is a desire and ability to understand and manage the company and its environment. With organisational learning the company can respond effectively to the changing business environment. List and explain the **TWO (2)** types of organisational learning that can be practiced by a company. (4 marks)

(c) Game theory is a tool that helps managers to improve decision making and enhance learning. Interactions between organisations are viewed as a competitive game. In other words, organisations see competition as a game. Based on game theory, explain the **TWO (2)** basic types of game. (4 marks)

(Total: 14 marks)

## QUESTION 4

(a) Briefly explain the **FIVE (5)** stages that are involved in Pondy's model of organisational conflict according to the correct sequence. (10 marks)

(b) Ali works as a manager in BlueSky organisation. He has higher organisational power compared to his subordinates. However, he is not able to overcome the issues that took place in the company. Instead, more conflict arose from his practice of organisational power. Being the manager, he failed to maintain his balance of power. Based on the given scenario, answer the following questions:

(i) If Ali continues to suppress the views against others what possibilities can happen. List the **FOUR (4)** possibilities that can happen. (4 marks)

(ii) Define "*power imbalance*". (2 marks)

(Total: 16 marks)

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